

# MANUFACTURING EXTENSION PARTNERSHIP

## Success Stories from the Field

### Hower Tool

#### Indiana MEP - Purdue Technical Assistance Program

#### Transforming Hower Tool

##### Client Profile:

Hower Tool, located in Ossian, Indiana, does machining for the medical device industry, making orthopedic instrumentation, and provides carbide tipping and sharpening of carbide tooling. Established in 1953, the 27,000 sq. foot facility employs less than 50 people.

##### Situation:

Hower Tool was experiencing a general slowing of business and the affects of worldwide competition. These factors, coupled with marketing and sales efforts that had gone stale, caused Hower Tool's business to trend downward. Hower was not actively looking for new accounts, but they were serving their current business well. Procedures and production flow had grown fragmented over time and waste had crept in. Hower Tool had not made a profit in 3 years.

Hower Tool employees became familiar with the services of the Indiana Business Modernization and Technology Corporation (BMT), a NIST MEP network affiliate, when they attended a BMT Lean 101 Workshop to begin the lean process and learn about the wastes they had to identify and eliminate. About this same time, the Akron-based owners of Hower Tool gave their new general manager, Tom Gregory, six months to either turn Hower around or close it down. After Hower employees told Mr. Gregory about the Lean 101 they had attended, Mr. Gregory and a few Hower employees attended a BMT workshop in the late spring of 2003. As a result of this class, BMT performed a lean assessment of Hower Tool.

##### Solution:

BMT worked with Hower to implement the processes and procedures necessary for the firm to transition them from the old QS Standard to the new ISO 9001:2000. When it was time for Hower's audit, BMT put Hower through a very difficult internal audit to make sure they were ready. Hower passed the audit with flying colors. Hower now had stable processes, and improvement could begin. As Hower became more efficient and organized, additional sales were needed to keep things flowing. Hower signed up for the BMT Marketing User Group (MUG). As part of the MUG, BMT did customer satisfaction surveys for Hower. BMT then surveyed Hower's customers and two new markets Hower was considering. Once Hower had a feel for their real competitive position, the 3-person Hower team, along with two non-competing firms, attended ten 4-hour classes over an 18-week period. In the classes, Hower went through the entire marketing process. They identified their most valuable customers, keeping both sales and profit in mind. Hower then developed an ideal customer profile and a detailed strategy to find more customers like their ideal customers. Hower also developed a full strategic plan including specific implementation to serve the new markets that had been researched.

##### Results:

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- \* Increased productivity.
- \* ISO registered manufacturer.
- \* Doubled sales and met goal in 1 year.
- \* Met all shipping dates for 242 straight days.
- \* Hired several new workers, still actively recruiting.
- \* Increased shop efficiency.
- \* Purchased new pieces of equipment.
- \* Ongoing contract with BMT to update OSHA procedures.

### Testimonial:

"With BMT's assistance, Hower was essentially saved as a company. I was sent by Hower Tool's owners in Akron, Ohio and told to either fix the company or close it and was given a six-month window to show results. Hower was floundering. Hower began to see value almost immediately as we went through the marketing process and started changing how we marketed and sold services and are now seeking customers. At the end of the MUG, we not only have a living plan but we have the people who wrote the plan in place to make adjustments as markets change and the brutal facts bite them. Hower's backlog of business is between 4 to 5 times what it was when we started the MUG. The backlog is still growing and approaching \$1,000,000. We hired several new people and are currently looking for 4 CNC machine operators."

Tom Gregory, General Manager